

NSC BRIEFING

1 May 1958

## INDONESIA

I. Focus of military operations in Indonesia has shifted to North Celebes area where Lt. Col. Sumual is in command of dissidents.

A. North Celebes Task Force, headed by Sumual, landed Morotai early morning of 28 April supported by two P-51s.

1. Planes effectively silenced light resistance put up by central govt troops and dissidents reportedly are in control of island.

II. Dissident planes, singly and in pairs, have also carried out series of successful strikes in past few days against govt targets in Borneo and East Indonesian islands.

A. Successful strikes have been made on following:

1. Ternate and Djailolo--points on or near Halmahera island (26, 28 and 29 April). Light damage sustained from bombing and strafing and possibly one gun boat sunk in Ternate harbor.
2. Morotai air base--communications center and fuel drums hit.
3. Ambon harbor and airfield on Ambon island (27 April)--three ships (British, Italian, Panamanian flags) damaged and three fuel storage tanks destroyed; Lt. Col. Pieters, local commandor and Sukarno's favorite, may have been killed.
4. Balikpapan, Borneo (26 April)--hits on airfield and nearby storage tanks; corvette "Huang Tuah," damaged and one British tanker destroyed.

25X1

(a) As result raids on Balikpapan, Shell has temporarily closed its Borneo installations there and on two islands north of Borneo.

5. Palu Bay on Celebes west coast (28 and 30 April)-- in three strikes there dissident plane sank three freighters, probably destroyed fourth, strafed harbor shipping intensively.

6. One of recently purchased Russian ships reportedly hit in Makassar Strait.

III. Premier Djuanda on 30 April made strongest public accusation to date of foreign involvement with dissidents.

A. In press handout, Djuanda said pilots employed by dissidents are American and Chinese Nationalist, claimed government had proof of foreign supply of arms and aircraft, and warned that foreign intervention would have "very wide consequences" and called for denunciation of this intervention by Asian and African nations.

B. Sukarno reportedly encouraging both Commie and non-Commie trade unions to denounce foreign intervention at May Day celebrations.

IV. Foreign Minister Subandrio has asked US mediation with Chinese Nationalist government on supply of arms to dissidents.

V. Djakarta newspapers have printed story by visiting Turkish newspaperman to effect Caltex oil company transported arms for Central Sumatran dissidents on company ships.

Also accused Caltex officials of alerting dissidents to American airdrops of arms.

A. We speculate story may have been inspired by Djakarta government to lay groundwork for later get-tough policy toward company.

25X1

- [REDACTED]
- Y|| In Sumatra, major military operations are largely completed with fall of last significant urban centers to govt--Tarutung in Tapanuli on 27 April and Bukittinggi, the dissident capital, on 28 April.
- A. Both were reported occupied with no resistance.
  - B. Dissidents claim they are continuing guerrilla warfare, but evidence is not convincing.
  - C. Govt occupation moves include banning of political activity; appointment of military administrators, screening of police, military, and civil service.
  - D. In South Sumatra, central govt has relieved Major Hawari, deputy commander of area, who was known by govt to be sympathetic to dissidents and probably assisting them.
    1. Army chief has sent Lt. Col. Ibnu Sutowo, deputy chief of staff to Palembang as troubleshooter to "purge" local command.
    2. This could be prelude to action against Lt. Col. Barlian, South Sumatras commander, who perhaps has straddled fence too long. Barlian now on "leave."
- [REDACTED]

25X1

IX

Vff. President Sukarno appears confident of early military victory and seems to be preparing for resumption of political maneuvering.

A. Any political settlement likely be imposed rather than negotiated.

B. Sukarno reported planning another interregional conference, and can be expected to make every effort to ensure his own personal power and acceptance of his system of "guided democracy," although there may be window-dressing concessions to regions.

1. In this, he will continue have strong support of Communist Party.

C. Some army leaders apparently are maneuvering to improve army's position.

1. Public statement by Brigadier General Djatikusumo, deputy chief of staff, now commanding North Sumatra, has strongly suggested Indonesia look to army for leadership.

2. Djatikusumo reportedly stated "Communists are getting too strong and we must stop them" and proposed that national elections--scheduled for 1959--be postponed five years.

25X1

25X1

Approved For Release 2003/08/08 : CIA-RDP79R00890A001000010026-7

Next 1 Page(s) In Document Exempt

Approved For Release 2003/08/08 : CIA-RDP79R00890A001000010026-7